



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 21, 2001

CERTIFIED RETURN RECEIPT

7000 0520 0021 7582 8814

William Bown
Utah Building Stone Supply
842 West 400 North
West Bountiful, Utah 84087

Re: Tentative Approval of Permit Amendment, Utah Building Stone Supply, Dove Creek Quarry, M/003/016, Box Elder County, Utah

Dear Mr. Bown:

The Division has completed its review of your amendment to the Notice of Intention to Commence Mining Operations for the Dove Creek Quarry, which was received on January 12, 2001. Because the amendment is considered complete, the Division hereby grants tentative approval. Before final approval can be issued, the following issues need to be clarified and resolved.

1. Before road 'F' can be used, the Division will need to inspect the 'wet' area (spring/seep) to determine the best way to protect the hydrologic regime. This may require installing culvert(s) or constructing a french drain.
2. The Forest Service is conducting an environmental assessment (EA) for the Vertical Cloud and Sunshine East pits, and the associated access road for these pits. Until the EA is completed, they will not allow mining activity on these areas.
3. The Division has recalculated the reclamation surety estimate that will be required for this site at \$42,100 (estimate attached). Currently, the Division holds a joint surety (letter of credit from Barnes Banking Company) with the U.S. Forest Service for \$27,500. The \$14,600.00 increase is due to reclamation cost increases (costs have increased faster than the escalation factor), development of the Vertical Cloud and Sunshine East pits, and escalation for two additional years

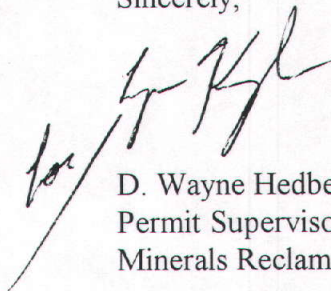
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William Bown
M/003/016
March 21, 2001

(current bond is in year 2004 dollars, the recalculated bond is in year 2006 dollars). Once concurrent reclamation that is planned for the 2001 field season is completed (including removal of the old blue trailer), the total bond amount could be reduced by \$6,300 (an additional \$1,000 could be released after three years, provided revegetation is determined successful). In summary, the bond will need to be increased a minimum of \$8,300.00 (if the scheduled reclamation is completed prior to development of the Vertical Cloud and Sunshine East pits). Otherwise, the bond will need to be increased by \$14,600.00.

Please contact the Division within 10 days of receipt of this letter to discuss what form of bond you will post for the increased amount (i.e. revised Letter of Credit, CD, surety bond, etc.). We can then provide you with the proper forms. The increased bond amount will need to be submitted and approved prior to beginning any expanded operations associated with this amendment this year.

As always, please don't hesitate to call me or Lynn Kunzler of my staff if you have any questions regarding this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. Wayne Hedberg", is written over a diagonal line that extends from the bottom left towards the center of the page.

D. Wayne Hedberg,
Permit Supervisor
Minerals Reclamation Program

jb
cc: Carmella Romerio, USFS
Mary Ann Wright, DOGM
Lynn Kunzler, DOGM
m03-16 amend apv-ltr.doc

1	RECLAMATION SURETY ESTIMATE				
2	Utah Building Stone Supply	last revision	03/08/01		
3	Dove Creek	filename M03-016.WB2	page "estimate D9"		
4	M/003/016	Box Elder County			
5	Prepared by Utah State Division of Oil, Gas & Mining				
6	-This estimate uses a D9 size dozer for most earthwork				
7	Acreage taken from quarry and road summary sheets				
8	Trailer and associated debris located near the blue trailer camp will be removed from the site.				
9					
10					
11	Note: actual unit costs may vary according to site conditions		last unit cost update	2-Aug-2000	
12	-Amount of disturbed area which will receive reclamation treatments =		23.5	acres	
13	-Estimated total disturbed area for this mine =		23.5	acres	
14	<u>Activity</u>	<u>Quantity</u>	<u>Units</u>	<u>\$/unit</u>	<u>\$</u> Note
15	Trailer & debris removal	1	lump sum	2000	2,000 (1)
16					
17	Regrading waste dump slopes	8,500	CY	0.36	3,060 (2)
18	Ripping waste dump tops	4.7	acre	271	1,274 (3)
19					
20	Ripping stockpile & compacted areas	13.0	acre	271	3,523 (3)
21					
22	Ripping access roads - dozer	3.6	acre	271	970 (3)
23	Regrading access roads - dozer	1.8	acre	364	652 (4)
24	Sidecast mtl replacement on steep roads- trackhoe	6,020	LF	1.09	6,562 (5)
25					
26	Topsoil replacement - dozer	3540	CY	0.36	1,274 (6)
27					
28	Composted manure	19.1	acre	300	5,730 (7)
29	Broadcast seeding	23.5	acre	170	4,000 (8)
30					
31	General site cleanup & trash removal	9.0	acre	50	450 (9)
32					
33	Equipment mobilization	1	equip	1000	1,000 (10)
34					
35	Reclamation Supervision	6	days	386	2,316 (11)
36			Subtotal		32,811
37	10% Contingency				3,281
38			Subtotal		\$36,092
39	Escalation (3.13 % per year)				6,013
40			Total		\$42,105
41			Rounded surety amount in yr 2006-\$		\$42,100
42	Average cost per disturbed acre =		\$1,789		

Notes

- (1) DOGM lump sum assumed
- (2) Means 2000 & Blue Book 3Q/00: Cat D9N, U, mtl 2550 lb/CY, 100 ft push
- (3) Means 2000 & Blue Book 3Q/00: Cat D9N, U, multi shank rippers, speed 1.0 mph
- (4) Means 2000 & Blue Book 3Q/00: Cat D9N, U, mtl 2550 lb/CY, 50 ft push, 1 ft depth
- (5) Contractor's actual costs, 1991 at E/053/012 escalated to 2000-\$, Cat 225 Excavator, 20 ft wide road
- (6) Means 2000 & Blue Book 3Q/00: Cat D9N, U, mtl 2550 lb/CY, 100 ft push
- (7) DOGM general estimate - manure \$16/ton delivered, \$14 ton/acre spreading
- (8) DOGM general estimate - broadcast seeding
- (9) DOGM general estimate - site cleanup & trash removal
- (10) DOGM general estimate - equipment mobilization
- (11) Means 2000, 01300-700-0180, project manager, minimum \$1,930/wk

RECLAMATION SURETY ESTIMATE

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Utah Building Stone Supply

Dove Creek

M/003/016

Prepared by Utah State Division of Oil, Gas & Mining

This Page for Reclamation Tasks For Access Roads Only*Road Disturbances requiring compost will receive 10 tons/acres of composted manure*

Road Disturbances will not receive additional topsoil.

Cut & fill roads are expected to require a trackhoe to regrade.

Road ID	Distance (feet)	Width	Acres	Type	Treatment
A	1634	16	0.60	Bladed Road	Rip, Regrade & Seed
B*	727	16	0.27	Bladed Road	Rip & Seed
C	2063	18	0.85	Cut & Fill	Regrade & Seed
D*	252	12	0.07	Two Track	Rip & Seed
E	1138	12	0.31	Two Track	Rip & Seed
F	720	16	0.26	Bladed Road	Rip & Seed
G	514	16	0.19	Cut & Fill	Regrade, Compost & Seed
H	375	14	0.12	Cut & Fill	Regrade, Compost & Seed
I	1103	16	0.41	Cut & Fill	Regrade, Compost & Seed
J	419	14	0.13	Bladed Road	Rip, Regrade & Seed
K*	1740	10	0.40	Two Track	Rip & Seed
L	310	14	0.10	Bladed Road	Rip & Seed
M*	1646	10	0.38	Two Track	Rip & Seed
O*	1177	16	0.43	Cut & Fill	Regrade, Compost & Seed
P-Q*	247	16	0.09	Bladed Road	Regrade, Rip & Seed
R	2633	16	0.97	Bladed Road	Regrade, Rip & Seed
S	5381	18		Forest Service	None
T	788	14	0.25	Cut & Fill	Regrade, Compost & Seed

TOTAL 22867 feet 5.84 acres

17486 feet of road, (5.84 acres) to be reclaimed under this permit.

* 1.64 acres scheduled for reclamation in 2001

RECLAMATION SURETY ESTIMATE

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Utah Building Stone Supply

Dove Creek

M/003.016

Box Elder County

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This Page Sumarizes Site Conditions and Treatments From the Individual Quarrys

<u>Quarry Area</u>	<u>Acreage</u>	<u>Site Conditions</u>	<u>Treatments</u>
1. (West) **	2.77	** No Highwall - !0' High Waste Dump	Minor Regrade, Compost & Seed
2. (Upper White)	0.73	* Previously Regraded	Compost & Seed
3. (Dad's Dream)	1.56	* Previously Regraded	Compost & Seed
4. (Main)	4.00	Highwall - 20' High Waste Dump	Major Regrade, Compost & Seed
5. (South)	2.70	Highwall - 20'-25' High Waste Dump	Major Regrade, Soil, Compost & Seed
Cliff Quarry	0.23	Surface Impacts	Rip & Seed
Sunshine East	2.80	Highwall - Waste Dump	Major Regrade, Soil, Compost & Seed
Verticle Cloud	<u>2.91</u>	Highwall - Waste Dump	Major Regrade, Soil, Compost & Seed
Acreage Total	17.70		

* Note: 3.49 acres are scheduled for reclamation in 2001.

** only 1.2 acres of the West Quarry is scheduled for reclamtion in 2001

Total Disturbance (roads & quarrys) = 23.53 Acres

Proposed to be Reclaimed in 2001 = 5.13 Acres